

# LPCF QUARTERLY

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## LPCF POINTS

- Louisiana Patient's Compensation Fund, formed in 1975, had an initial enrollment of 2,347 health care providers. Current enrollment is 18,556.
- Louisiana is currently only one of only SIX states not considered in medical malpractice crisis.
- Louisiana Governor Kathleen Babineux Blanco credits the LPCF as a "notable" factor in Louisiana achieving stability in the medical liability insurance market.
- In 2003, Louisiana ranked 24th in the nation with 242 physicians available per 100,000 population and 25th in the nation with 82 registered nurses per 10,000 population.

## LOUISIANA PATIENT'S COMPENSATION FUND LAUNCHES QUARTERLY NEWSLETTER

The Louisiana Patient's Compensation Fund is proud to publish this, the first issue of its newsletter. The LPCF has long been a leader in offering stable affordable excess medical Malpractice coverage to health care providers in the State of Louisiana. As part of our goal to keep the medical, legal and insurance communities informed and in touch with current and potential issues of interest, the LPCF will publish LPCF Quarterly.

This year the LPCF celebrates 30 years of dedicated service to the citizens of Louisiana. This issue includes a brief history of the Louisiana Patients Compensation Fund and how we have grown and evolved over the past 30 years to become a benchmark for successful publicly administered medical malpractice excess insurer as well as a model for the successful solution to the medical malpractice crisis.

Also in this issue will be information about the upcoming medical malpractice seminars that will be held in several key locations around the state in September and October. These



seminars will be full of valuable information to you and offers our first opportunity to bring LPCF to YOU!

We hope you enjoy our first issue of LPCF QUARTERLY.

## LPCF ON THE ROAD SEMINARS

The Patient's Compensation Fund will be hosting a series of Seminars across Louisiana during September and October 2005. Each two-hour session will cover enrollment, the review panel process, and claims processing. Registration fee is \$20.

Suggested attendees include: Physicians, Hospital Administrators, Chiefs of Staff, Risk Management Officers,

Directors of Nursing, Chief Medical Officers, Medical Directors, Chiefs of Surgery, Medical Staff Affairs, Vice-Presidents of Professional Affairs/Insurance, or Business Managers, Nurses, Dentists, and other health care professionals. Space is limited in most locations, so make reservations early. Check our seminar website for more information

[www.lapcf.louisiana.gov/conference.htm](http://www.lapcf.louisiana.gov/conference.htm)

Registration forms are located at the same site.

If you have questions, please contact:

Gaye Smith

Administrative Director

225-342-6164

What's good for the Fund is good for you and me. Remember, the Fund belongs to us. We members of the Oversight Board, having been nominated by our various representative organizations and societies, are appointed by the Governor from among the ranks of our peers. LPCF Quarterly will remind us of this commonality and unite us in our professional liability agenda.

# WELCOME TO LPCF

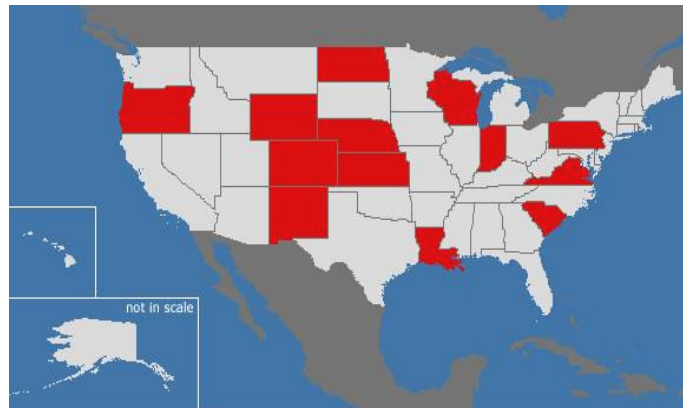
In the early 1970's, a problem of crisis proportions arose in medical malpractice liability in the United States. Physicians were finding it more and more difficult to obtain medical malpractice insurance. An explosion in both loss frequency and severity caused insurance carriers to raise malpractice premiums by massive percentages. The effect on physicians and hospitals was chilling. Some found themselves unable to pay the new higher premiums. Some found themselves unable to obtain coverage at any price because many

carriers stopped writing malpractice coverage altogether. Some areas of the country hit harder than others saw physicians leaving their practices or practicing without any coverage at all. In an effort to avoid this situation, the 1975 Louisiana Legislature passed Act 817 which created the Louisiana Patient's Compensation Fund.

Louisiana, one of only 13 states currently providing a State patient compensation “fund”, proudly boasts stability in the medical

malpractice insurance market. Because of the overwhelming success of the LPCF other states are looking to us for guidance and example in their efforts toward finding solutions to deal with their "medical malpractice crisis".

Today, the Fund insures over 16,000 private health care providers in the state, including physicians, hospitals, dentists, nursing homes, nurses and a wide variety of others. Funds paid in by the members approach \$140 million annually and claim payments of \$80 million are made. It is the profound wish of the LPCF Board, and of the Fund's many providers, that the Fund continue to offer a stable, **affordable** market for medical malpractice liability for many years to come and to also make available a **reliable** and **secure** source of compensation for injured patients.



### States with patient compensation funds

## MEET THE BOARD

The LPCF Oversight Board is comprised of nine members, appointed by the governor subject to Senate confirmation, from nominations solicited from the respective principal professional organizations. Board membership is apportioned according to the ratio of surcharges paid to the fund among the classes of health care providers enrolled with the fund.

Currently membership of the  
LPCF Oversight Board and

their respective areas of representation are:

**Dr. Forest Dean Griffen;** *(Chairman)*  
Louisiana State Medical Society

**Dr. Charles D. Belleau;** Louisiana  
State Medical Society

**Mr. Clark Cosse;** *(Vice-chairman)*  
Louisiana Hospital Association

**Mr. Charles Daigle;** *(Secretary)*  
Louisiana Hospital Association

**Mr. Daniel Lennie, RN; Other Health Care**

**Mr. Mark Berger;** Nursing Homes

**Dr. Paul Fuselier;** M.D Louisiana State Medical Society

Representative from Insurance Executives is presently Vacant.

An additional representative for Physicians is also presently vacant.

Any of these members can be reached through the LPCF by contacting the Executive Director, Lorraine LeBlanc at [lleblanc@lapcf.louisiana.gov](mailto:lleblanc@lapcf.louisiana.gov).

# LPCF—30 YEARS STRONG

In 1975, the Louisiana Legislature created the Louisiana Patients Compensation Fund. This provided for the \$500,000 cap in liability and the Medical Review Panel process peer review. The LPCF was administered by both the Department of Insurance and the office of the Attorney General. Claims were paid two times per year. In 1990, a major change was made in the format and operation of the Fund. The statute was revised to remove the Fund from the Department of Insurance and the Attorney General's office and it created the LPCF Oversight Board. This gave the Fund more independence of operation and the creation of the Oversight Board gave providers greater input, and also greater responsibility, in the operation of the Fund. It also created a trained staff of full time LPCF employees.

In 2000, the LPCF was removed from the supervision of the Office of Risk Management and, for the first time became a fully independent state agency. After being housed in 4 different areas on 3 separate floors in 2 different buildings the agency finally "came together" both figuratively and literally when

the offices were moved to the present location on Third Street, as part of the Capitol Complex in Baton Rouge.

Statistics for the early pre-1990 years are sketchy, as there was no full-time staff to maintain data and there was no computer system in use at that time either. In fiscal year 1990-91, LPCF had a claims budget of just over \$30 million and an operating budget of roughly \$947,000 and a staff of 21. The LPCF grew slowly in staff and operations but grew rapidly in number of enrolled providers and medical review panels, and ultimately claims. Enrollment grew steadily and as of 6/30/05 were 18,556. Requests for Medical Review Panels grew from 1329 in 1990 to 2144 in 2004-05. Today the claims budget is \$80,000,000; the operating budget is \$ 2,648,307 and there is a full time staff of 39.

Since the LPCF is a budget unit of the State of Louisiana, funding is appropriated on a fiscal year basis for the period running July 1 through June 30. An appropriated budget, in limiting the total amount of funds available for expenditure, may give the appearance of artificially limiting the

total amount of liability for a fiscal period. This, however, is not the case as the LPCF has several Legislative vehicles by which appropriation increases can be given as the need arises. The LPCF has received additional claims appropriation in many years to provide for necessary settlement expenses and has adequate reserves as mandated by statute. In 1990-91 the claims budget of \$947,000 was used to settle 78 claims, including ongoing future medical payments. Fiscal year 2004-05 saw a claims budget of \$80,000,000 used to settle 208 claims and pay out \$12,183,891 in future medical payments.

The Louisiana Patient's Compensation Fund has come a long way since 1975. We have even more innovations and resources planned for the future.

Stay tuned.....**HERE WE GROW!!**

## A Message from the Executive Director,

*Mrs. Lorraine LeBlanc*

I'm proud to welcome you to this, our first issue of LPCF Quarterly. Most of you who are reading this have had some direct experience with the LPCF office, whether through payment of surcharge premiums, members of medical review panels or involved in a claim.

I hope this newsletter provides you with some interesting and useful information about the LPCF and how it operates. Our experienced and highly specialized staff works diligently to administer this program in the most effective and professional manner we can. At the same time we are constantly on the lookout for more efficient and resourceful ways to improve our services.

The LPCF is ever mindful of our dual obligation to both the health care providers of this state and to those injured as an unfortunate result of medical malpractice. Our dedicated staff handles the receipt and process of surcharge payments, receives and puts the wheels of the medical review panel process in motion and ultimately evaluates malpractice claims to determine liability and damages. For the fiscal year ending June 30, 2005, the loss adjustment ratio for this agency was only 3-4%--considerably below the current industry standard of 20%.\*

We felt that this newsletter is long overdue. We hope to use this as just one more resource by which to serve you. Please visit our website [www.lapcf.louisiana.gov](http://www.lapcf.louisiana.gov) for an abundance of useful information and the current issue of LPCF Quarterly. Also visit our Feedback Forum to share your questions and comments at <http://www.lapcf.louisiana.gov/feedback.htm>

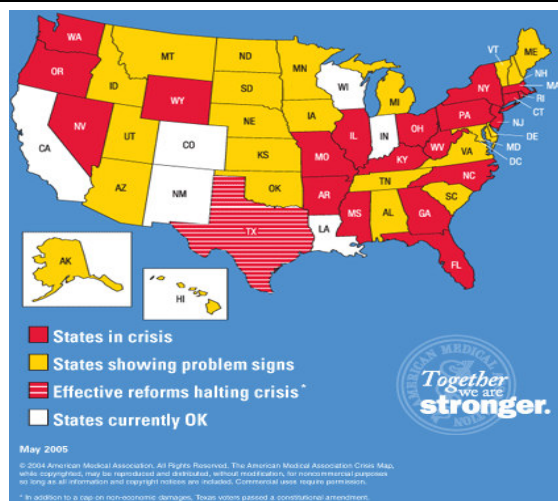
\* industry standard data from PIAA

## LOUISIANA..... POSITIVE!

The American Medical Association, in this graphic and accompanying article shows Louisiana as one of only SIX states considered NOT in Medical Malpractice Crisis. With the exception of California, all "OK" states have Patient Compensation Funds—a sure indication that PCF's work !

Your LPCF is proud to be on the upside of a national survey clearly showing

**Louisiana.... Positive!!**



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*Celebrating 30  
Years of Service*

Please contact the PCF staff with any questions regarding coverage as it relates to issues, concerns and problems related to the hurricane and disruption of business or provider practices. Also see the Governor's website for executive orders dealing with health care providers and the medical malpractice act.

[www.state.la.us/osr/other/2005kbbexo.htm](http://www.state.la.us/osr/other/2005kbbexo.htm)

## WHAT'S ON YOUR MIND?

The Louisiana Patient's Compensation Fund is YOUR Fund. LPCF Quarterly is YOUR publication, developed and provided with the goal of increasing awareness, offering assistance and providing knowledge to YOU.

Is there a "gray" area about the LPCF you would like more information about? Is there a particular topic you'd like addressed? Please visit the LPCF website Feedback Forum <http://www.lapcf.louisiana.gov/feedback.htm>



LPCF welcomes your input about future articles and issues you'd like to see in LPCF Quarterly.

Let LPCF Quarterly be your gateway to knowledge and interaction in the medical malpractice arena.